Pharmacy Encounter
Companion Guide
NCPDP versions 1.1 and Transaction version 5.1 (Request)
State of Washington
Department of Social & Health Services

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Approved By:

CNSI Project Manager		**DSHS Project Manager**
Date		**Date**

Disclaimer

This companion guide for the NCPDP 5.1 Encounters transaction has been created for use in conjunction with the standard Implementation Guide. It should not be considered a replacement for the Implementation Guide, but rather used as an additional source of information. The companion guide contains data clarifications derived from specific business rules that apply exclusively to Medicaid processing for Washington State DSHS. The guide also includes useful information about sending and receiving data to and from the ProviderOne system.

Revision History

Documented revisions are maintained in this document through the use of the Revision History Table shown below. All revisions made to this companion guide after the creation date are noted along with the date, page affected, and reason for the change.

Revision Level	Date	Page	Description	Change Summary
WAMMIS-CG-PENC-01-01	3/13/09		Initial Delivery	
WAMMIS-CG-PENC-01-02	4/3/09		Incorporating DSHS comments from 1st formal delivery	Correction/Addition
WAMMIS-CG-PENC-01-03	4/8/09		Incorporating DSHS comments on the review of the previous delivery	Correction/Addition
WAMMIS-CG-PENC-01-04	4/20/10		Incorporating DSHS comments on the review of the previous delivery	Correction/Addition
WAMMIS-CG-PENC-01-05	5/03/10		Incorporating DSHS comments on the review of the previous delivery	- Updated the contact phone details - Corrected verbiage in section 1.1

Contents

1 Introduction

NCPDP is a registered trademark of the National Council for Prescription Drug Programs (NCPDP), Inc., Versions 1.1 and 5.1 and their predecessors include proprietary material that is protected under the U.S. Copyright Law, and all rights remain with NCPDP.

- NCPDP Version 1.1 defines the data structure and content of batch pharmacy transmissions only.

- NCPDP Version 5.1 defines the data structure and content of single Point-of-Sale (POS) transmissions only.

These specifications cover the minimum required fields (mandatory) per the NCPDP Versions 1.1 and 5.1 standards as well as the required fields needed for the State of Washington Department of Social & Health Services encounter claims processing.

The Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA, Title II) includes requirements that national standards be established for electronic health care transactions, and national identifiers for providers, health plans, and employers. This requires Washington State Department of Social and Health Services (DSHS) to adopt standards to support the electronic exchange of administrative and financial health care transactions between covered entities (health care providers, health plans, and healthcare clearinghouses).

The intent of these standards is to improve the efficiency and effectiveness of the nation's health care system by encouraging widespread use of electronic data interchange standards in health care. The intent of the law is that all electronic transactions for which standards are specified must be conducted according to the standards. These standards were not imposed arbitrarily but were developed by processes that included significant public and private sector input.

Encounters are not HIPAA named transactions and the NCPDP Version 5.1 Implementation Guide was used as a foundation to construct the standardized DSHS encounter reporting process.

1.1 Document Purpose

Companion Guides are used to clarify the exchange of information on NCPDP Encounter transactions between the DSHS ProviderOne system and its trading partners. DSHS defines trading partners as covered entities that either submit or retrieve NCPDP batch transactions to and from ProviderOne.

This Companion Guide provides information related to electronic submission of NCPDP Encounter Transactions to DSHS by approved trading partners.

This Companion Guide is intended for trading partner use in conjunction with the NCPDP Batch Standard Implementation Guide Version 1 Release 1 The NCPDP Implementation Guides can be accessed at http://www.ncpdp.org/.

1.1.1 Intended Users

Companion Guides are intended to be used by members/technical staff of trading partners who are responsible for electronic transaction/file exchanges.

1.1.2 Relationship to NCPDP Implementation Guides

Companion Guides are intended to supplement the NCPDP Implementation Guides for NCPDP transactions. Rules for format, content, and field values can be found in the Implementation Guides. This Companion Guide describes the technical interface environment with DSHS, including connectivity requirements and protocols, and electronic interchange procedures. This guide also provides specific information on data elements and the values required for transactions sent to or received from DSHS.

Companion Guides are intended to supplement rather than replace the standard Implementation Guide for each transaction set. The information in these documents is not intended to:

- Modify the definition, data condition, or use of any data element or segment in the standard Implementation Guides.

- Add any additional data elements or segments to the defined data set.

- Utilize any code or data values that are not valid in the standard Implementation Guides.

- Change the meaning or intent of any implementation specifications in the standard Implementation Guides.

1.2 Transmission Schedule

N/A

2 Technical Infrastructure and Procedures

2.1 Technical Environment

2.1.1 Communication Requirements

This section will describe how trading partners can send NCPDP Transactions to DSHS using :

- Secure File Transfer Protocol (SFTP)

2.1.2 Testing Process

Completion of the testing process must occur prior to submitting electronic transactions in production to ProviderOne. Testing is conducted to ensure the following levels of NCPDP compliance:

1. Level 1 – Syntactical integrity: Testing of the EDI file for valid segments, segment order, element attributes, testing for numeric values in numeric data elements, validation of X12 or NCPDP syntax, and compliance with X12 and NCPDP rules.

2. Level 2 – Syntactical requirements: Testing for NCPDP Implementation Guide-specific syntax requirements, such as limits on repeat counts, used and not used qualifiers, codes, elements and segments. It will also include testing for NCPDP HIPAA required or intra-segment situational data elements.

3. Level 7 – DSHS defined custom rules. All transactions will be validated against DSHS defined custom rules as specified in the Transaction Specification section.

Additional testing may be required in the future to verify any changes made to the ProviderOne system. Changes to the ANSI formats may also require additional testing. Assistance is available throughout the testing process.

Trading Partner Testing Procedures

1. ProviderOne companion guides and the trading partner enrollment package are available for download via the web at http://maa.dshs.wa.gov/dshshipaa

2. The Trading Partner completes the Trading Partner Agreement and submits the signed agreement to DSHS.

   Submit to: Provider Enrollment

   PO Box 45562

   Olympia, WA 98504-5562

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For Questions call 1-800-562-3022 extension '16132'

3. The trading partner is assigned a Submitter ID, Domain, Logon User ID and password.

4. The trading partner submits all NCPDP test files through the Secure File Transfer Protocol (SFTP).

   ▪ SFTP URL: ftp.waproviderone.org

5. The trading partner downloads acknowledgements for the test file from the ProviderOne SFTP site.

6. If the ProviderOne system generates a positive acknowledgment, the file is successfully accepted. The trading partner is then approved to send NCPDP Encounter files in production.

7. If the test file generates a negative acknowledgment, then the submission is unsuccessful and the file is rejected. The trading partner needs to resolve all the errors that are reported on the negative acknowledgment and resubmit the file for test. Trading partners will continue to test in the testing environment until they receive a positive acknowledgment.

2.1.3 Who to contact for assistance

- Telephone Number: 1-800-562-3022 extension '19583'
  - All calls result in the assignment of a Ticket Number for problem tracking

- Hours: 8:00 AM – 5:00 PM Pacific Standard Time, Monday through Friday

- Information required for initial call:
  - Topic of Call (setup, procedures, etc.)
  - Name of caller
  - Submitter ID Number
  - Organization of caller
  - Telephone number of caller
  - Nature of problem (connection, receipt status, etc.)

- Information required for follow up call(s):
  - Assigned Ticket Number

2.2 Set-up, Directory, and File Naming Convention

2.2.1 SFTP Set-up

Trading partners can contact 1-800-562-3022 for information on establishing connections through the FTP server. Upon completion of set-up, they will receive additional instructions on FTP usage.

2.2.2 SFTP Directory Naming Convention

- **NCPDP Inbound**

- **NCPDP Error**

- **NCPDP Outbound**

- **NCPDP_Ack**

2.2.3 File Naming Convention

The HIPAA Subsystem Package is responsible for assisting ProviderOne activities related to Electronic Transfer and processing of Health Care and Health Encounter Data, with a few exceptions or limitations.

NCPDP files are named:

For Inbound transactions:

NCPDP.<TPId>.<datetimestamp>.<originalfilename>.<dat>

Example of file name: NCPDP.101721500.122620072100_P_1.dat

- <TPId> is the Trading Partner Id

- <datetimestamp> is the Date timestamp

- <originalfilename> is the original file name which is submitted by the trading partner.

2.3 Transaction Standards

2.3.1 General Information

NCPDP standards are specified in the Implementation Guide for each mandated transaction and modified by authorized Addenda,

An overview of requirements specific to the NCPDP batch transactions can be found in the NCPDP Batch Standard and Batch Implementation Guide Version 1 Release 1. Implementation Guides contain information related to:

- Format and content of batch and transaction group

- Format and content of the header, detail and trailer segments specific to the batch

- Code sets and values authorized for use in the transaction

- Allowed exceptions to specific transaction requirements

Transmission sizes are limited based on two factors:

- Number of Segments/Records allowed by DSHS

- DSHS file size limitations

DSHS limits a file size to 100 MB through SFTP.

2.3.2 General file layout

NCPDP 1.1 Batch layout:

ID	Name	Usage	Min Use	Max Use
HDR	Transaction Header	Mandatory - Must use	1	1
DTL	Transaction Detail	Mandatory - Must use	1	999999
TRL	Transaction Trailer	Mandatory - Must use	1	1

NCPDP 5.1 B1 Transaction layout:

Position	ID	Name	Usage	# of Repeats
1	TH	Transaction Header	Mandatory - Must use	
2	01	Patient	Optional - Used	
3	04	Insurance	Mandatory - Must use	
4	{	Claim or Service Billing	Mandatory - Must use	4
5	07	Claim	Mandatory - Must use	

Position	ID	Name	Usage	# of Repeats
6	02	Pharmacy Provider	Optional - Used	
7	03	Prescriber	Optional - Used	
8	05	COB/Other Payments	Optional - Used	
9	06	Worker's Compensation	Optional - Used	
10	08	DUR/PPS	Optional - Used	
11	11	Pricing	Mandatory - Must use	
12	09	Coupon	Optional - Used	
13	10	Compound	Optional - Used	
14	12	Prior Authorization	Optional - Used	
15	13	Clinical	Optional - Used	
	}			

NCPDP 5.1 B2 Transaction layout:

Position	ID	Name	Usage	# of Repeats
1	TH	Transaction Header	Mandatory - Must use	
2	01	Patient	Optional - Used	
3	04	Insurance	Optional - Used	
4	{	Claim or Service Reversal	Mandatory - Must use	4
5	07	Claim	Mandatory - Must use	
6	08	DUR/PPS	Optional - Used	
7	11	Pricing	Optional - Used	
	}			

NCPDP 5.1 B3 Transaction layout:

Position	ID	Name	Usage	# of Repeats
1	TH	Transaction Header	Mandatory - Must use	
2	01	Patient	Optional - Used	
3	04	Insurance	Mandatory - Must use	
4	{	Rebill	Mandatory - Must use	4
5	07	Claim	Mandatory - Must use	
6	02	Pharmacy Provider	Optional - Used	
7	03	Prescriber	Optional - Used	
8	05	COB/Other Payments	Optional - Used	
9	06	Worker's Compensation	Optional - Used	
10	08	DUR/PPS	Optional - Used	
11	11	Pricing	Mandatory - Must use	
12	09	Coupon	Optional - Used	

Position	ID	Name	Usage	# of Repeats
13	10	Compound	Optional - Used	
14	12	Prior Authorization	Optional - Used	
15	13	Clinical	Optional - Used	
	}			

2.3.3 Data Interchange Conventions

When accepting NCPDP Batch Encounter transactions from trading partners, DSHS follows standards developed by the National Council for Prescription Drug Programs. All Encounter Transactions should follow the NCPDP batch encounter guideline. Please refer to the NCPDP Batch Encounters Implementation Guide for Batch and Transactions specifications. Specific information on how individual data elements are populated by DSHS on Batch and Transaction are shown in the table beginning later in this section.

The first segment of every transmission (request or response) is the Header Segment. This is the only segment that does not have a Segment Identification because it is a fixed field and length segment. After the Header Segment, other segments are included, according to the particular transaction type. Every other segment has an identifier to denote the particular segment for parsing. Segments may appear in any order after the Header Segment, according to whether the segment occurs at the transmission or transaction level. Segments are not allowed to repeat within a transaction.

In the Header Segment, all fields are required positionally and filled to their maximum designation. This is a fixed segment. If a mandatory field is not used, it must be filled with spaces or zeroes, as appropriate. The fields within the Header Segment do not use field separators.

Other segments may have both mandatory and required fields. Required fields in a segment are submitted after the mandatory fields. A field separator and the field's identifier must precede both types of fields. Required fields may appear in any order except for those designated with a qualifier or in a repeating group. The mandatory and required fields may be truncated to the actual size used.

Parsing is accomplished with the use of separators. Version 5.1 uses the following three separators:

- Segment separator Hex 1E (Dec 30)

- Group separator Hex 1D (Dec 29)

- Field separator Hex 1C (Dec 28)

Within a transaction, appropriate segments are included. Segments are delineated with the use of Segment separators. Segments are also identified with the use of a Segment Identification in the first position of each segment. One or many segments may be included in each transaction. Field separators are used to delineate fields in the segments.

DSHS accepts NCPDP Batch Encounter files with a single Transaction in a Batch.

2.3.4 Reject Codes

NCPDP standard reject codes will be used when the transaction is rejected by DSHS.

2.3.5 Acknowledgement Procedures

Once the file is submitted by the trading partner and is successfully received by the ProviderOne system, a response in the form of an HTML report will be placed in appropriate folder (on the FTP server) of the trading partner. The ProviderOne system generates positive acknowledgements, if the submitted Batch Encounter file meets NCPDP standards related to syntax and data integrity. For files, which do not meet the NCPDP standards a negative acknowledgment is generated and sent to the trading partner.

2.3.6 Rejected Transmissions and Transactions

Pharmacy Encounters will be rejected if the file does not meet NCPDP standards for syntax, data integrity and structure (Strategic National Implementation Process (SNIP) type 1 and 2). Additionally, the transactions will be validated against DSHS defined custom rules (SNIP type 7) as specified in the Transaction Specification section. Non-compliance of the custom rules will result in rejection of the transaction.

3 Transaction Specifications

NCPDP Batch Encounters

Field Number	Field/Segment Name	Mandatory /Optional	Type	Length	ProviderOne Companion Guide Rules
	Transaction Header				
880-K4	Text Indicator	Mandatory	String	1	**Start of Text (Stx) = x'02'**
701	Segment Identifier	Mandatory	String	2	
880-K6	Transmission Type	Mandatory	String	1	**Use: T = Transaction**
880-K1	Sender ID	Mandatory	String	24	**Enter the MCO's 9 digit program specific ProviderOne ID e.g. '123456700'**
806-5C	Batch Number	Mandatory	Number	7	**Must match the Trailer Batch Number**
880-K2	Creation Date	Mandatory	Number	8	**Enter date in CCYYMMDD format e.g. 20090401 for April 1st 2009**
880-K3	Creation Time	Mandatory	Number	4	**Enter time in HHMM format e.g. 2030 for 8:30 pm**
702	File Type	Mandatory	String	1	**Use 'T' when submitting a Test File** **Use 'P' when submitting a Production File**
102-A2	Version/Release Number	Mandatory	String	2	**Use '11'**
880-K7	Receiver ID	Mandatory	String	24	**Enter '77045' followed by spaces**
880-K4	Text Indicator	Mandatory	String	1	**End of Text (Etx) = x'03'**
	Transaction Detail				
880-K4	Text Indicator	Mandatory	String	1	**Start of Text (Stx) = x'02'**
701	Segment Identifier	Mandatory	String	2	**Use 'G1' Detail Data Record Start**
880-K5	Transaction Reference Number	Mandatory	String	10	**This number is assigned by the MCO to uniquely identify each claim within the file.**
NCPDPDR	**NCPDP Data Record**	Mandatory	String	9999999	
101-A1	BIN Number	Mandatory	N	6	**Use '610706'**
102-A2	Version/Release Number	Mandatory	A/N	2	**Use '51'**

Field Number	Field/Segment Name	Mandatory /Optional	Type	Length	ProviderOne Companion Guide Rules
103-A3	Transaction Code	Mandatory	A/N	2	Please use: B1 - Billing B2 - Reversal B3 - Rebill
104-A4	Processor Control Number	Mandatory	A/N	10	Please use: 'ENCOUNTER' for Production files 'ENCTEST' for Test files
109-A9	Transaction Count	Mandatory	A/N	1	Please use: 1 – One transactions 2 – Two transactions 3 - Three transactions 4 - Four transactions
202-B2	Service Provider ID Qualifier	Mandatory	A/N	2	Use '01'
201-B1	Service Provider ID	Mandatory	A/N	15	Enter the NPI of the servicing Pharmacy
401-D1	Date Of Service	Mandatory	N	8	Enter date in CCYYMMDD format e.g. 20090401 for April 1st 2009
110-AK	Software Vendor/ Certification ID	Mandatory	A/N	10	Use '0000000000'
1	**Patient**	Optional			
111-AM	Segment Identification	Mandatory	A/N	2	Use '01'
331-CX	Patient ID Qualifier	Mandatory	A/N	2	Use '99'
332-CY	Patient ID	Mandatory	A/N	20	Use ProviderOne Client ID e.g. 123456789WA
304-C4	Date Of Birth	Optional	N	8	Enter date in CCYYMMDD format e.g. 20090401 for April 1st 2009
305-C5	Patient Gender Code	Optional	N	1	Please use: 0 - Not specified 1 - Male 2 - Female
310-CA	Patient First Name	Optional	A/N	12	Enter Patient First Name
311-CB	Patient Last Name	Optional	A/N	15	Enter Patient Last Name
307-C7	Patient Location	Optional	N	2	Use 01-11
4	**Insurance**	Mandatory			
111-AM	Segment Identification	Mandatory	A/N	2	Use '04'
302-C2	Cardholder ID	Mandatory	A/N	20	Use ProviderOne Client ID e.g. 123456789WA
306-C6	Patient Relationship Code	Optional	N	1	Please use: 1 = Cardholder
7	**Claim**	Mandatory			
111-AM	Segment Identification	Mandatory	A/N	2	Use '07'

Field Number	Field/Segment Name	Mandatory /Optional	Type	Length	ProviderOne Companion Guide Rules
455-EM	Prescription/ Service Reference Number Qualifier	Mandatory	A/N	1	**Please use:** **1 = Rx Billing (Paid by MCO)**
402-D2	Prescription/ Service Reference Number	Mandatory	N	7	**Enter the Prescription Number**
436-E1	Product/Service ID Qualifier	Mandatory	A/N	2	**Please use:** **03 = National Drug Code**
407-D7	Product/Service ID	Mandatory	A/N	19	**Enter 11 Digit NDC Number from Medi-Span**
442-E7	Quantity Dispensed	Optional	N	10	**Enter the quantity in numeric e.g. 30 units should be coded as 0000030000**
403-D3	Fill Number	Optional	N	2	**Please use:** **0=Original fill** **1—99=Refill Number**
405-D5	Days Supply	Optional	N	3	**Enter number of Days Supply**
406-D6	Compound Code	Optional	N	1	**Enter:** **0 = Not specified** **1 = Not a compound** **2 = Compound**
408-D8	Dispense As Written (DAW)/ Product Selection Code	Optional	A/N	1	**Enter:** **0 = No product selection** **1 = Physician's request** **2 = Substitution allowed- patient requested product dispensed** **3 = Substitution allowed- pharmacist selected product dispensed** **4 = Substitution allowed- generic drug not in stock** **5 = Substitution allowed- brand drug dispensed as generic** **6 = Override** **7 = Substitution not allowed- brand drug mandated by law** **8 = Substitution allowed- generic drug not available in marketplace** **9 = Other**

Field Number	Field/Segment Name	Mandatory /Optional	Type	Length	ProviderOne Companion Guide Rules
414-DE	Date Prescription Written	Optional	N	8	**Enter date in CCYYMMDD format e.g. 20090401 for April 1st 2009**
308-C8	OTHER COVERAGE CODE	Optional	N	1	Enter 2 if Other Coverage exists for Medicare
3	**Prescriber**	Optional			
111-AM	Segment Identification	Mandatory	A/N	2	**Use '03'**
466-EZ	Prescriber ID Qualifier	Mandatory	A/N	2	**Please use: 01 - NPI 12 - DEA Number**
411-DB	Prescriber ID	Mandatory	A/N	15	**Enter the NPI or DEA Number of the Prescribing Physician**
5	**COB/Other Payments Note: Use COB segment only when Medicare is Primary payer (i.e. Dual Eligibles)**	Optional			
111-AM	Segment Identification	Mandatory	A/N	2	**Use '05'**
337-4C	Coordination of Benefits/Other Payments Count	Mandatory	N	1	
338-5C	Other Payer Coverage Type	Mandatory	A/N	2	**Please use: '01' – Primary**
339-6C	Other Payer ID Qualifier	Mandatory	A/N	2	**Use '99'**
340-7C	Other Payer ID	Mandatory	A/N	10	**Enter 'Medicare'**
341-HB	Other Payer Amount Paid Count	Mandatory	N	1	
342-HC	Other Payer Amount Paid Qualifier	Mandatory	A/N	2	**Use: '07' - Drug benefit**
431-DV	Other Payer Amount Paid	Mandatory	D	8	**Enter the amount that Medicare paid as '$$$$$$cc'.**
11	**Pricing**	Mandatory			
111-AM	Segment Identification	Mandatory	A/N	2	**Use '11'**
409-D9	Ingredient Cost Submitted	Optional	D	8	**Enter the Ingredient Cost Submitted as '$$$$$$cc'**
426-DQ	Usual and Customary Charge	Optional	D	8	**Enter Total Billed Charges as '$$$$$$cc'.**
430-DU	Gross Amount Due	Optional	D	8	**Enter MCO paid amount as '$$$$$$cc'.**
10	**Compound**	Optional			
111-AM	Segment Identification	Mandatory	A/N	2	**Use '10'**
450-EF	Compound Dosage Form Description Code	Mandatory	A/N	2	**Use NCPDP applicable Compound Dosage Form Description Code**

Field Number	Field/Segment Name	Mandatory /Optional	Type	Length	ProviderOne Companion Guide Rules
451-EG	Compound Dispensing Unit Form Indicator	Mandatory	N	1	**Use NCPDP applicable Indicators**
452-EH	Compound Route of Administration	Mandatory	N	2	**Use NCPDP applicable codes**
447-EC	Compound Ingredient Component Count	Mandatory	N	2	**Count of Product ID in the Compound must match the number of ingredients reported**
488-RE	Compound Product ID Qualifier	Mandatory	A/N	2	**Please use:** **03 = National Drug Code**
489-TE	Compound Product ID	Mandatory	A/N	19	**Enter 11 Digit NDC Number from Medi-Span**
448-ED	Compound Ingredient Quantity	Mandatory	N	10	**Enter the Ingredient quantity '9999999999'**
449-EE	Compound Ingredient Drug Cost	Optional	D	8	**Enter cost of ingredient '$$$$$$cc'**
880-K4	Text Indicator	Mandatory	String	1	**End of Text (Etx) = x'03'**
	Transaction Trailer				
880-K4	Text Indicator	Mandatory	String	1	**Start of Text (Stx) = x'02'**
701	Segment Identifier	Mandatory	String	2	**Use '99'**
806-5C	Batch Number	Mandatory	Number	7	**Must match the Header Batch Number**
751	Record Count	Mandatory	Number	10	
880-K4	Text Indicator	Mandatory	String	1	**End of Text (Etx) = x'03'**